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UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

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In re:

SEARS HOLDINGS CORPORATION, *et al.*,<sup>1</sup>

Debtor.

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Chapter 11  
Lead Case No. 18-23538 (RDD)  
(Jointly Administered)

**LIMITED OBJECTION OF TEAM DESIGN LIGHTING &  
CONSTRUCTION, LLC TO NOTICE OF CURE COSTS AND  
POTENTIAL ASSUMPTION AND ASSIGNMENT OF EXECUTORY  
CONTRACTS IN CONNECTION WITH GLOBAL SALE TRANSACTION**

**TO: HONORABLE ROBERT D. DRAIN,  
UNITED STATES BANKRUPTCY JUDGE**

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are as follows: Sears Holdings Corporation (0798); Kmart Holding Corporation (3116); Kmart Operations LLC (6546); Sears Operations LLC (4331); Sears, Roebuck and Co. (0680); ServiceLive Inc. (6774); A&E Factory Service, LLC (6695); A&E Home Delivery, LLC (0205); A&E Lawn & Garden, LLC (5028); A&E Signature Service, LLC (0204); FBA Holdings Inc. (6537); Innovel Solutions, Inc. (7180); Kmart Corporation (9500); MaxServ, Inc. (7626); Private Brands, Ltd. (4022); Sears Development Co. (6028); Sears Holdings Management Corporation (2148); Sears Home & Business Franchises, Inc. (6742); Sears Home Improvement Products, Inc. (8591); Sears Insurance Services, L.L.C. (7182); Sears Procurement Services, Inc. (2859); Sears Protection Company (1250); Sears Protection Company (PR) Inc. (4861); Sears Roebuck Acceptance Corp. (0535); Sears, Roebuck de Puerto Rico, Inc. (3626); SYW Relay LLC (1870); Wally Labs LLC (None); Big Beaver of Florida Development, LLC (None); California Builder Appliances, Inc. (6327); Florida Builder Appliances, Inc. (9133); KBL Holding Inc. (1295); KLC, Inc. (0839); Kmart of Michigan, Inc. (1696); Kmart of Washington LLC (8898); Kmart Stores of Illinois LLC (8897); Kmart Stores of Texas LLC (8915); MyGofer LLC (5531); Sears Brands Business Unit Corporation (4658); Sears Holdings Publishing Company, LLC. (5554); Sears Protection Company (Florida), L.L.C. (4239); SHC Desert Springs, LLC (None); SOE, Inc. (9616); StarWest, LLC (5379); STI Merchandising, Inc. (0188); Troy Coolidge No. 13, LLC (None); BlueLight.com, Inc. (7034); Sears Brands, L.L.C. (4664); Sears Buying Services, Inc. (6533); Kmart.com LLC (9022); and Sears Brands Management Corporation (5365). The location of the Debtors' corporate headquarters is 3333 Beverly Road, Hoffman Estates, Illinois 60179. The Debtors also include SHC Licensed Business LLC (3718), filed as Case No. 18-23616, and SHC Promotions LLC (9626), filed as Case No. 18-23630 (the "Additional Debtors"). The Additional Debtors each filed a motion in their respective chapter 11 case requesting joint administration with the Debtors for procedural purposes only pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure

Team Design Lighting & Construction, LLC aka Team Design Build USA (“Team Design”), creditor in the above captioned Chapter 11 proceedings, by and through its attorneys, DelBello Donnellan Weingarten Wise & Wiederkehr, LLP, submit this limited objection (the “Limited Objection” to the *Supplemental Notice of Cure Costs and Potential Assumption and Assignment of Executory Contracts and Unexpired Leases in Connection with Global Sale Transaction* (the “Supplemental Cure Notice”, Dkt. No. 1774). In support of this Limited Objection, Team Design respectfully states and represents as follows:

1. On October 15, 2018 (the “Petition Date”), Sears Holdings Corporation and certain of its affiliates, including Sears, Roebuck and Co. (“Sears”), Kmart Corporation (“Kmart”), and Sears Brands Management Corporation (“SBMC”, together with Sears Holding Corporation, Sears and Kmart, the “Initial Debtors”), commenced with this Court voluntary cases under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”). Subsequently, three additional affiliates filed voluntary petitions on October 18, 2018, October 22, 2018 and January 7, 2019 (together with the Initial Debtors, the “Debtors”).

2. Prior to the Petition Date, on or about July 10, 2018, Team Design entered into a contract and agreement with Sears to repair certain light poles and LED fixtures at the Sears Store #7413 located in St. Croix, VI / District 278, which were damaged as a result of Hurricane Maria (the “Contract”). The total amount of the work to be performed under the Contract was \$85,621.00. The Contract further provided that Team Design warranty the work performed under the Contract for a period of one (1) year.

3. Team Design completed the work required under the Contract on or about August 15, 2018. Upon information and belief, in order for Sears to remit an insurance claim for payment

of the monies owed to Team Design under the Contract, Sears induced Team Design to sign a “Waiver of Lien” which provided, *inter alia*, that:

...in consideration of (*Contract Sum*) \$85,621.00 Dollars and other good and valuable consideration, the receipt whereof is hereby acknowledged, or if not received as of this date, on the consideration that payment will be made no later than 60 days after the Owner's receipt of this Final Waiver of Lien and Contractor's Affidavit, does hereby waive and release any and all lien or claim of, or right to, lien...

4. Upon information and belief, Sears received insurance claims monies on account of the work performed by Team Design, but Team Design was not paid.

5. On November 7, 2018, Team Design filed an unsecured claim in the amount of \$85,621.00 for the money owed under the Contract, and attached the Contract, Waiver of Lien, and all relevant documents, which claim was assigned Claim Number 4416 (the “Team Design Claim”). A copy of the Team Design Claim is annexed hereto as **Exhibit A**.

6. On November 1, 2018, the Debtors moved this Court for Approval of Global Bidding Procedures (the “Global Bidding Procedures Motion”, Docket No. 429) to facilitate sale transactions of substantially all of the Debtors' assets (the “Assets”), including the assumption and assignment of certain executory contracts.

7. On November 19, 2018, the Court entered the Order Approving Global Bidding Procedures and Granting Related Relief (the “Global Bidding Procedures Order”, Docket No. 816), approving global bidding and sale procedures substantially in the form proposed by the Global Bidding Procedures Motion.

8. On January 14, 2019, the Debtors commenced an auction for a sale of the Assets, wherein the offer submitted by Transform Holdco LLC was determined to be the highest and best offer for the Assets.

9. On January 23, 2019, the Debtors filed the Supplemental Cure Notice. Attached to the Supplemental Cure Amount Notice as Exhibit A is the Schedule of Cure Amounts (the “Cure Amount Schedule”), which lists proposed cure amounts (the “Proposed Cure Amount(s)”) in connection with the Debtors’ potential assumption or assumption and assignment of executory contracts.

10. The Cure Amount Schedule listed as Contract No. 579: Team Design Build USA Div. as a counterparty to a contract titled “Facilities Up to \$40K MSA”, contract expiration date 12/25/2018. The Cure Amount Schedule lists a Proposed Cure Amount of \$0.

11. Team Design objects to the Proposed Cure Amounts pertaining to the Contract. The correct cure amount under the Contract is \$85,621.00, not \$0.

12. The Cure Amount Notice does not require Team Design to assert any objections to the assumption and assignment of the Contract other than as such objections relate to the Proposed Cure Amounts. Team Design reserves all rights to object to assumption and assignment of the Contract, including objections based on whether such contracts are executory and objections based on the failure to provide adequate assurance of future performance pursuant to section 365(b)(1)(C).

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**WHEREFORE**, Team Design respectfully requests that the cure amounts for the Team Design Contract be set at \$85,621.00, and that it be granted such other relief to which it may be entitled.

Dated: White Plains, New York  
January 25, 2019

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